

COMMITTEE ON GOVERNMENT REFORM
SUBCOMMITTEE ON GOVERNMENT MANAGEMENT, FINANCE AND ACCOUNTABILITY



OVERSIGHT FIELD HEARING:

FINANCIAL SECTOR PREPAREDNESS IN A POST-9/11 WORLD

OPENING STATEMENT OF
CHAIRMAN TODD RUSSELL PLATTS
SEPTEMBER 26, 2005

I would like to thank the Brooklyn School of Law and my esteemed colleague and Ranking Member of our Subcommittee, Ed Towns, for hosting this field hearing. We are here in New York because this is the heart of our nation's financial sector. On September 11, 2001, terrorists destroyed the World Trade Center in an attempt not just to murder and maim, but to dismantle our economy. With the backdrop of two destructive hurricanes, we see that any disaster – whether natural or man-made – requires us to be prepared. This hearing is about the preparedness of the financial sector in particular.

The rapid recovery of the financial infrastructure after 9/11 inspired confidence. The U.S. Treasury securities market opened just two days later, and the equities market was in full operation by September 17th. Still, Congress, the executive branch, and industry groups realized that financial firms would need new contingency plans. The Federal government in partnership with local governments and the private sector responded with a variety of initiatives.

Many of these post 9/11 improvements were tested during the massive power blackout on August 14, 2003. All indications after the blackout were that improvements put in place after 9/11 helped mitigate the damage that could have resulted from the infrastructure shutdown and panic that the blackout caused. These results are encouraging.

The purpose of this hearing is to examine the present status of financial market preparedness for wide-scale disasters or disruptions, including efforts aimed at prevention, detection, and response. The hearing will provide local, State, and Federal government officials and representatives from the private sector a chance to discuss accomplishments and identify areas where improvements and resources are still needed.

We have a very distinguished group of witnesses, beginning with **Mr. Raymond W. Kelly**, Police Commissioner, for the City of New York. Commissioner Kelly will be followed by **Mr. D. Scott Parsons**, Deputy Assistant Secretary for Critical Infrastructure Protection and Compliance Policy from the U.S. Department of the Treasury, **Mr. R. James Caverly**, Director of the Infrastructure Coordination Division at the U.S. Department of Homeland Security, and **Mr. Daniel A. Muccia**, First Deputy Superintendent of Banks from the State of New York Banking Department.

On our third panel will be **Ms. Catherine Allen**, Chief Executive Officer of BITS, a division of The Financial Services Roundtable, and **Mr. Donald Donahue**, Chairman of the Financial Services Sector Coordinating Council for Critical Infrastructure Protection and Homeland Security, **Mr. Samuel Gaer**, Chief Information Officer for the New York Mercantile Exchange, **Mr. Steve Randich**, Executive Vice President of Operations and Technology and Chief Information Officer for The NASDAQ Stock Market, Inc. We look forward to your testimony.